



MARY LOU DICKERSON



State Representative • 36th Legislative District
2000 SESSION REPORT & SURVEY

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Dear friends,

Even though 72% of our local community voted against Initiative 695 (the highest "No" vote in the state), it is now the law of the land. The Legislature now has the job of carrying out the initiative without harming essential state or local services.

The common belief that I-695 would cost only two percent of the state budget is unfortunately a myth. The \$750 million annual cost of I-695's car-tab reductions actually equals two percent of **all** public spending in the state – including all spending by the 39 counties, 277 cities, 296 school districts, all fire districts, all library districts, and every other local government unit in Washington.

The Legislature cannot possibly replace all of the revenues lost to local governments, ferries, public transit and highway projects due to I-695. But we can and should look for state budget savings that can be used to cushion the impact and fix the most urgent funding gaps.

How should the Legislature respond? Please help me represent our community as our state responds to I-695 by looking through the information inside and answering the questions on the third page. It will only take a moment, and your help would be much appreciated.

Sincerely,

Mary Lou Dickerson

The Initiative 695 challenge

As you know, I-695 replaces existing motor vehicle fees with a base \$30 fee and requires any state or local tax or fee increases to be approved by a public vote. Our challenge is to adapt to the sudden loss of \$750 million-a-year of revenues.

It will be quite a challenge, especially since the revenues cut by I-695 were dedicated by law to specific purposes. This means the losses are concentrated in a few crucial areas – highway projects, public transit, and local government budgets. The local impact is huge. For example:

- **King County Metro** lost 29 percent of its total revenues, and must slash one *million* hours of bus service unless the Legislature offers help. A cut of this magnitude would put an additional 22,000 cars on our streets during rush hour and impose severe hardships for people who depend on public transit for their mobility.
- **The City of Seattle** lost \$20.4 million targeted to transportation and public safety needs.
- **The Seattle-King County Health Department** lost \$10.3 million for important services such as childhood immunizations, drinking water and food inspections, communicable disease control, and teen pregnancy prevention.

I believe the Legislature has a duty to help communities like ours weather the budget problems created by I-695. Finding the best ways to help is this year's biggest challenge.

MARY LOU DICKERSON

The Initiative 695 challenge (continued)

Why not cut the state budget 2% across-the-board?

This common question reflects what many people heard during the I-695 campaign. But as I said in my opening letter, the revenue lost to I-695 does not equal two percent of public spending *by* the state, it equals two percent of all public spending *in* the state.

We would actually have to cut *every* item in the state budget by *nine* percent to fix the losses, as you can see in the graph on the opposite page. **But if we protect school funding, as we should, all other priorities would have to be reduced 16.5%.** And if we also protect higher education and debt payments, as we should, everything else — prisons, care for the disabled and elderly, *everything* — would have to be slashed nearly 25 percent to fix the I-695 shortfall! While we can and will find state savings to replace some losses due to I-695, there are obviously limits to what we can do, and across-the-board reductions are not the answer.

Ideas for state savings

One clear consequence of I-695 is that we must make government as responsive, effective and efficient as possible to provide good service while living within our means. Here are some of the government reform ideas that have promise:

- State Auditor Brian Sonntag is proposing an “Alliance for Accountability” to oversee a comprehensive performance review of state government, plus routine performance audits to measure progress towards efficiency goals. Many states have achieved dramatic results with this approach, and I believe it could work well here.
- I’m convinced we need fundamental Civil Service Reform in Washington which includes not only collective bargaining but also more flexibility to contract-out some state services. The Governor and Legislature are working on this, but difficult accountability issues are involved, and we haven’t yet reached agreement on an actual proposal.
- We’ve made great strides toward providing long-term care in people’s homes and communities, which is less costly and generally preferred to nursing home care. We can do even more in this area. However (as the Linda David tragedy proved) we must also do a better job of protecting the safety of people receiving home and community care.

- I co-chaired the special Legislative Task Force on Vendor Contracting. We found many efficiencies which will potentially save millions of state taxpayer dollars. I will continue to look for further savings in this area.

Some of the best ideas for improving government come from citizens. If you have ideas for making government work better or cost less, please share them with me.

No property-taxes on vehicles

A drafting error in I-695 unintentionally repealed the statute that exempted cars from the state property tax. But don’t worry, Governor Locke and the Legislature have agreed to move quickly to fix this problem. I expect that one of the first measures we enact this year will prohibit the reimposition of any property-taxes on vehicles.

Protecting human services

Ever since I-695 passed, you’ve heard many leaders say “we must protect funding for education and law enforcement.” Of course, we must. But we must also remember our sense of decency and our responsibilities to the elderly, the poor, the disabled, abused children, and others who depend on human services.



Unfortunately, human services and the Department of Social and Health Services (DSHS) are almost always the first targets for budget and staff reductions. This year is no exception. While I will gladly support reasonable reforms and cost-savings in human services, we cannot decently forget the people who are struggling in the shadows of our economy and health care system. Throughout this challenging session, I will do my best to remind legislators that the truly needy deserve what is right, and not merely what is left after other funding choices have been made.

2000 Session Report & Survey

Responding to I-695 – What do *you* think?

You can help me be a strong advocate for our local perspective on state issues by taking a few moments to answer the following questions. And please feel free to write additional comments.

When you're done, re-fold the page so my address is showing, add a stamp, and drop it in the mail. Thanks very much for your help.

1. Washington has \$511 million in what are called unrestricted reserves. We also have more than \$700 million in an Emergency Reserve Fund, which can only be spent when two-thirds of legislators agree.

Should we use some of our state's unrestricted reserves to provide a short-term fix for important state and local services that lost funding due to I-695?

Yes No Don't know

Should we also use some of our state's emergency reserves to provide a short-term fix for important state and local services that lost funding due to I-695?

Yes No Don't know

2. Washington's ferry system faces a \$281 million shortfall due to I-695. Some lawmakers suggest turning the operation of ferries over to the private sector. What do you think?

___ We should privatize the ferry system.

___ We should continue to regard ferries as part of the state highway system.

___ Keep ferries in the highway system, but increase fares to cover funding losses.

3. Using the numbers 1 to 9, please rank order the priorities you **most** want to protect from budget reductions due to I-695 (*1 meaning 'most important to protect', 9 meaning 'least important to protect'*).

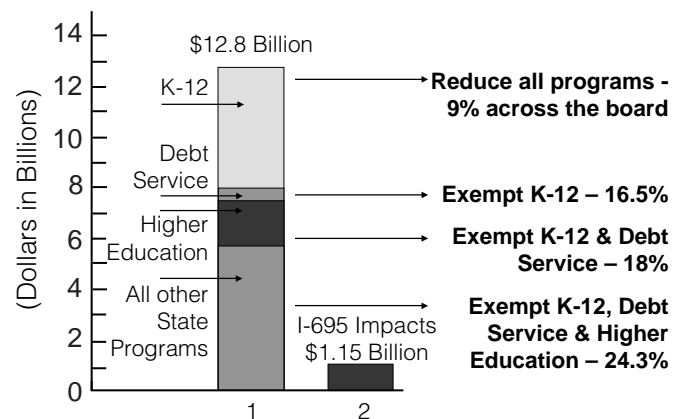
- ___ K-12 education
- ___ Higher education
- ___ Transportation
- ___ State funding for local criminal justice
- ___ Economic development
- ___ Environmental protection
- ___ Health care
- ___ Social services for the poor
- ___ Services for senior citizens

4. Our state expects more than \$300 million during the next two years from tobacco companies due to a court settlement. How do you think this money should be used? (*Please mark only one option*)

- ___ Use all of the tobacco settlement to fund anti-smoking efforts.
- ___ Use the tobacco settlement funds for anti-smoking efforts and health care needs.
- ___ Don't restrict the use of the tobacco settlement. Use it for any state funding need.

The Magnitude of cuts increases as critical priorities are exempted from reductions.

Total appropriations – April 2000 through June 2001





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Comments

Thanks again for your help!

Rep. Mary Lou Dickerson • 36th Legislative District

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